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Registered-Return Receipt Requested

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Government Sales Manager

Subject : Contract No. RD-71
Amendment No. 2

Gentlemen:

Delete Article 3(d)II(13) of subject contract in its entirety and substitute in lieu thereof the following:

(13) Overhead

a. As used in this section.

1. Overhead rate for each department or subdivision thereof shall mean the amount applicable to each hour of direct labor worked in the particular department or subdivision thereof in the performance of this contract, which is allowable as reimbursement for indirect expense.
2. General and administrative expense rate shall mean the percentage of total costs, exclusive of general and administrative expense, which is allowable as reimbursement for general and administrative expense.

- b. The overhead and general and administrative expense rates negotiated between the Department of Defense and the contractor shall apply to this contract. The rates thus determined are as follows for the period indicated:

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NOTICE

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

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<u>From</u>	<u>To</u>	<u>Overhead</u>	<u>G&A</u>
Inception	December 31, 1954	Electronics Engineering	6.678%
		Department: Plant 28A	\$ 2.28
		Plant 2	2.10
		Mechanical Engineering	
		Department Plant 12	2.03
		Research Department:	
		Plant 2	2.36
		Plant 19	2.33
		Tube Research Department	1.89

The contractor has represented to the Contracting Officer that its operations were moved from Plants 28A and 12 to Plant 50, effective for accounting purposes by March 1954, but that the Department of Defense has approved the use for Plant 50 in Department of Defense contracts of the rates for Plants 28A and 12 for the period specified above. Based upon such representation, a corresponding use of rates is approved for this contract subject to later adjustment corresponding to any adjustment required by the Department of Defense.

- c. The foregoing rates shall be retroactive to the first day of the period to which they apply. Billings submitted and payments made shall be adjusted accordingly. The rates specified above shall serve provisionally for billing and payment purposes from the end of the period specified until rates for the succeeding period are established and incorporated into this contract by amendment. The rates shall be negotiated no oftener than every six months or for such longer period as may be mutually agreeable. Any failure on the part of the Department of Defense and the contractor to agree on a requested revision in the overhead rates shall be considered a dispute concerning a question of fact within the meaning of the article of this contract entitled "Disputes"; pending settlement under such article, the contractor shall diligently proceed with performance. The contractor shall promptly notify the Contracting Officer hereunder of the overhead and the general and administrative expense rates negotiated with the Department of Defense and applicable to the type of work being performed under this contract and such rates shall be set forth in an amendment to this contract.

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If you agree with the foregoing, please indicate your acceptance by executing this amendment in the original and three (3) copies. Retain one (1) copy for your records and return the original and two (2) copies to the undersigned as soon as possible.

Very truly yours,

[Redacted Signature]

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Contracting Officer

ACKNOWLEDGED AND ACCEPTED

THIS DAY OF 1955

[Redacted Signature]

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BY

TITLE

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